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**SENATE BILL 5259**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Senators Shewmake, Chapman, and Nobles

AN ACT Relating to creating a sales and use tax exemption for bait purchased for commercial fishing; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; creating a new section; providing an effective date; and providing expiration dates.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of bait for use in commercial fishing.

(2) The exemption is available only when the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(3) In order to obtain an exemption certificate under this section, a qualifying business must submit an application to the department in the form and manner prescribed by the department. The exemption certificate applies on the date the application is received by the department, which is the date of issuance.

(4) For purposes of this section, the following definitions apply:

(a) "Bait" means any food or appetizing substance used by a commercial fisher while commercial fishing to attract a food fish or other commercially harvested species for commercial harvest.

(b) "Commercial fishing" means any business with a fishery license under chapter 77.65 RCW that catches food fish, as defined in RCW 77.08.022, and shellfish for commercial purposes. "Commercial fishing" does not include fishing charter companies engaged in the business of providing recreational fishing for a fee.

(5) This section expires January 1, 2037.

NEW SECTION. **Sec.**  A new section is added to chapter 82.12 RCW to read as follows:

(1) This chapter does not apply to the use of bait in commercial fishing.

(2) The definitions and conditions in section 1 of this act apply to this section.

(3) This section expires January 1, 2037.

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preferences contained in sections 1 and 2, chapter . . ., Laws of 2025 (sections 1 and 2 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to improve industry competitiveness and reduce structural inefficiencies in the tax structure, as indicated in RCW 82.32.808(2) (b) and (d).

(3) It is the legislature's specific public policy objective to support the state's commercial fishing industry and provide equitable tax treatment for commercial fishing as that which is provided to similar industries.

(4) The joint legislative audit and review committee must include in its review:

(a) An analysis of the overall fiscal impact of the sales and use tax exemption for bait used in commercial fishing;

(b) A comparison of tax preferences for similar industries in this state, such as commercial farming and cultivating fish for sale; and

(c) Any other analysis the joint legislative audit and review committee deems necessary in determining whether the tax preferences in this act meet the public policy objectives under subsection (3) of this section.

(5) The joint legislative audit and review committee may access any data collected by the state to complete its review of the tax preferences under this act, including data collected by the department of fish and wildlife.

NEW SECTION. **Sec.**  This act takes effect January 1, 2026.

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